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DEPARTMENT FOR NEA/ELA, NEA/IPA NSC FOR SHAPIRO/MCDERMOTT PARIS FOR WALLER LONDON FOR TSOU

E.O. 12958: DECL: 05/20/2029

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SUBJECT: CORRECTED COPY - MAY 7 FELTMAN-SHAPIRO MEETING IN DAMASCUS: HAMAS AND PALESTINIAN RECONCILIATION

Classified By: CDA Maura Connelly for reasons 1.4 b, d.

Corrected Copy - Deletion of EU Member States Collective.

- (S/NF) Summary: In a wide-ranging May 7 discussion, NEA Acting A/S Feltman and NSC/NENA Senior Director Shapiro argued that, while recent Hamas statements suggested the organization could recognize a two-state solution, Hamas needed to renounce violence, recognize Israel, and abide by previous agreements between Israel and the Palestinian Authority before the international community would be ready to deal with the group as a legitimate representative of the Palestinian people. Feltman and Shapiro also pressed the Syrian regime to use its influence to convince Hamas to release detained Israeli soldier Gilad Shalit, or at the very least, allow Shalit to communicate with his family as a humanitarian gesture. The Syrian side led by FM Muallim took credit for positively influencing Hamas to make constructive statements toward the West and to end rocket fire in Gaza. Muallim stressed the need for lifting the Israeli blockade on humanitarian assistance to Gaza and reaching a durable ceasefire between Hamas and Israel. On Shalit, Muallim blamed Israel for torpedoing a prisoner exchange deal that would have won the Israeli soldier's freedom. End Summary.
- 12. (S/NF) (S/NF) Returning to Damascus two months after their March 7 visit, NEA Acting Assistant Secretary Jeffrey Feltman and NSC Senior Director for the Middle East and North Africa Dan Shapiro met May 7 for four-and-a-half hours with Syrian Foreign Minister Walid al-Muallim, Vice Foreign Minister Faisal Miqdad, and President Asad's Political and Media Advisor Bouthaina Shaaban. Charge and Pol-Econ Chief (notetaker) accompanied Feltman and Shapiro. Muallim's Chief of Staff Bassam Sabbagh joined the Syrian side. This cable provides a recap of their discussion on Hamas and Palestinian reconciliation. It should be read in conjunction with septel reports on the U.S.-Syrian re-engagement process, Iraq, sanctions, Syrian-Israeli peace issues, Iran, Lebanon, and human rights.

Syria Responsible for Moderating Hamas

13. (S/NF) Syrian Presidential Advisor Shaaban, commenting on the contradiction between President Obama's positive rhetoric and support of comprehensive regional peace and the imminent decision to renew E.O. 13338, argued that the U.S.

was ignoring Syria's positive influence on Hamas and the Palestinian reconciliation process. Meshaal had given a May 5 interview to the New York Times in which he stated his readiness to accept a two-state solution based on 1967 borders and to be "part of the solution." U.S. Special Envoy Mitchell had traveled to the Gulf states and northern Africa, and had met in the past with the IRA, but he had yet to visit Damascus, which was more relevant to resolving the Arab-Israeli dispute than Egypt, Saudi Arabia, or Jordan. "Do you think Hamas would accept 1967 borders without Syrian influence?" asked Shaaban. "We want this to be acknowledged as a great step forward for our role in promoting comprehensive peace.

¶4. (S/NF) NSC Senior Director Shapiro responded Washington's reading of Meshaal's comments remained somewhat different. Meshaal's recent remarks represented, in fact, a re-hash of Hamas's willingness to recognized a Palestinian state within 1967 borders in exchange for a long-term truce. Israel was unlikely to accept this formula. The U.S. recognized Syria's role, but Hamas still must take more significant steps to work with the Palestinian Authority (PA) and abide by PA commitments that can produce a Palestinian state. The U.S. welcomed the decrease in the number of rockets being fired in Gaza; to the degree that Syria was responsible for this trend, the U.S. welcomed this contribution. The current circumstances offered Syria an opportunity to continue using its influence positively.

Muallim on Shalit: Ask the Egyptians

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(S/NF) Shapiro raised the case of detained Israeli soldier Gilad Shalit, saying he had recently met with his father, Noam. Noam was a shy man, and not a politician, who had embarked on a campaign to save his son. The U.S. continued to call for Shalit's unconditional release. interim, however, the U.S. hoped Syria would use its influence to convince Hamas to agree to allow Shalit to communicate with his parents to assure them he was still alive. It had been over a year since the last time a sign-of-life message had been received. Because Hamas refused access by the International Committee for the International Red Cross (ICRC), the U.S. hoped Syria would support this request on humanitarian grounds.

16. (S/NF) Shaaban, shaking her head back and forth, chastised Israel for having detained some 11,000 Palestinians and using them as "political pawns." Shapiro responded that the U.S. continued to raise Israeli treatment of Palestinian detainees, noting that the Palestinian prisoners at least enjoyed ICRC access. "You devalue the lives of Palestinians," Shabaan alleged. Muallim responded that the U.S. should raise the Shalit issue with Egypt, since Cairo had the lead in negotiating a prisoner exchange agreement between Hamas and Israel.

Upcoming U.S. Discussions with Israel

 $\underline{\mbox{1}} \mbox{7.}$  (S/NF) Acting Assistant Secretary Feltman asserted that the U.S. was moving rapidly on advancing its regional peace agenda. President Obama had clearly conveyed his views on the necessity of a two-state solution and he would be meeting May 18 with Israeli PM Netanyahu to explain why this policy would advance both U.S. and Israeli interests. The President felt the same way about reviving the Golan track, and Washington expected to dispatch Mitchell to Damascus in the coming weeks. Mitchell's deputy Fred Hof was expected to seek a meeting with Syrian Ambassador to Washington Imad Mustafa. The current plan was to see how the meeting with PM

Netanyahu and move from there, Feltman explained. It would be important to have a Palestinian partner with whom Israel could be convinced to work, and to have a partner that could take on the attributes of Palestinian statehood. This priority explained why accepting PA commitments represented such an important condition -- a state, Feltman emphasized, complied with its commitments, like Syria had done with Israel.

- (S/NF) President Obama, continued Feltman, would raise Gaza and the necessity of allowing humanitarian supplies. But the ability to convince Israel to agree to these demands would increase if there was a willing Palestinian partner to engage with the U.S. and Israel. Washington believed there was a window of opportunity, but it remained unclear how long it would last. The U.S. could not succeed without supportive partners in the Arab world. And Washington had an ambitious, busy foreign policy agenda that included Pakistan and Afghanistan. Achieving a comprehensive Arab-Israeli peace would require traction and momentum.
- (S/NF) Muallim agreed, affirming Syria's support of comprehensive peace. The problem remained not knowing Israel's intentions. Thus the May 18 meeting between President Obama and PM Netanyahu would be important. Thus far, declarations from PM Netanyahu and FM Lieberman had not been promising. To place a higher priority on Iran's nuclear program than on achieving a two-state solution was "unbelievable," Muallim said. Equally disturbing were the statements of Israeli officials suggesting there could be peace with Syria without returning the Golan. Syria supported a two-state solution, but it wanted to ensure it was based on terms of reference contained in UN Security Council resolutions 242 and 338, the Madrid Conference principles, assurances from former Secretary of State Baker, and the Arab Peace Initiative.

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U.S. Concerns About Hamas

- 110. (S/NF) Feltman responded that Washington understood Syria's needs but may have questions about some of the details. The U.S. wanted to ensure that movement on a Syria-Israel track would not undermine the Palestinian track. "If we're working as partners with you, we don't want Hamas to undermine Palestinian-Israeli negotiations," he said. Muallim replied he understood and explained Syria had stipulated during its indirect talks with Israel that Israel would not be able to use the Golan track to subvert negotiations with the Palestinians. "We don't believe real peace is possible without a comprehensive agreement," Muallim maintained.
- (S/NF) Shapiro answered the Palestinians agreed there needed to be complementarity between the two tracks. Washington's concern, however, remained that Hamas activity could undermine the Palestinian track. Muallim replied this was an important issue. When Israel and Hamas announced mutual unilateral cease-fires after the Gaza crisis, Syria worked with Turkey and other parties to convince Hamas to accept a durable, sustainable ceasefire. Hamas then spoke with Egypt and reached a separate agreement, and the Israelis introduced new conditions related to a prisoner exchange. France and Qatar worked to broker a deal that would have freed Shalit; Egypt, however, expressed its anger at Qatar's interference by starting the prisoner exchange negotiations again. Now Netanyahu was not interested in a ceasefire or a prisoner exchange deal, Muallim argued. Syria believed a ceasefire remained the key to achieving constructive progress on Palestinian reconciliation, he said.

- 112. (S/NF) Presidential Advisor Shaaban interjected that the U.S. had rejected working with Hamas after the 2006 Palestinian elections, event though only 15 percent of the legislators elected were Hamas party members. "We hope you are willing to accept the representatives chosen by the Palestinian people. If you work with a Palestinian government that doesn't represent the people, you won't succeed," she said.
- 113. (S/NF) Shapiro said the U.S. agreed that a sustainable ceasefire was important. The U.S., moreover, would welcome any national unity Palestinian government (NUG) that respected commitments made by the PLO. Feltman added that the U.S. might not be able to meet with Hamas party officials in the government, but that would not be a deal-breaker. What was important was to convince the Palestinians to endorse a two-state solution. All the Palestinian groups had expressed support for a two-state solution, replied Shaaban. Muallim suggested the Palestinians needed to see whether Israel was committed as well and on what terms such a solution would be based. It remained unclear whether Israel was willing to engage to achieve a two-state solution based internationally recognized terms of reference.
- 114. (S/NF) Shapiro affirmed President Obama's upcoming meetings in Washington would stress the U.S. commitment to a two-state solution. He stressed Washington's desire to achieve this concrete goal. The U.S. recognized its responsibilities to reaching this objective, but it believed other partners had responsibilities as well. Feltman said that the U.S. could not speak for Israel, but the Obama administration's position on a two-state solution was clear.
- 115. (SBU) Acting A/S Feltman and NSC Senior Director cleared this message. CONNELLY